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SUBJECT: BOSNIA: HIGH REPRESENTATIVE DELIVERS "100 DAYS"
SPEECH TO PARLIAMENT

Classified By: AMBASSADOR DOUGLAS MCELHANEY FOR REASONS 1.4 (B), (D).

11. (U) SUMMARY. In an effort to rally the parliament of Bosnia and Herzegovina (BiH) to pass significant pre-election reforms, High Representative Christian Schwarz-Schilling delivered his "100 days" speech on May 24. The theme referred to what Schwarz-Schilling has seen during his first 100 days as High Representative, as well as what the Parliament can accomplish in the 100 days left to it prior to national elections in October. Schwarz-Schilling proclaimed that his first 100 days in office have convinced him to maintain his "hands-off approach"; he maintained that BiH has all the resources it needs without intervention from the international community. He commented on the progress BiH has made since his tenure as High Representative, but then focused on what he deemed "a darker side of political life" in BiH -- those areas where politicians and parliamentarians had failed to put the country's best interests before their own. He challenged parliament to support a range of reforms in the next 100 days which, in his opinion, would directly benefit voters. However, the mood of the parliament was one of disinterest, marred by Serb parliamentarians' plans to walk out and shut down Parliament over a domestic issue immediately following the High Rep's speech. END SUMMARY.

12. (U) In a speech before the Bosnian Parliament, High Representative Christian Schwarz-Schilling reinforced his approach as a hands-off High Representative who expects the Bosnians to fully own their political process in advance of OHR's planned phaseout in mid-2007. Schwarz-Schilling told parliamentarians that, as he stepped back, their responsibility is to step up and carry out the reforms that will bring Bosnia and its citizens forward. The High Rep reminded parliamentarians that those elected in October will have to govern on their own in the coming year, without the intervention of the international community. He cited Bosnia's strong democratic institutions, the highly professional negotiating team leading European Union (EU) talks, and young people who want to play a role in BiH's future as reasons why he is confident that BiH can direct its own destiny. He also lauded Bosnia's entrepreneurs, the international success of the Bosnian film "Grbavica", and Bosnia's recent third place showing in the Eurovision song contest. Schwarz-Schilling then moved on to what he dubbed the "darker side" of Bosnian politics: corruption, a lack of responsibility and a lack of political courage. As examples, Schwarz-Schilling cited the current deadlock on police reform, the disunity of Mostar's city government (Mostar remains the only major municipality in BiH that has not yet adopted its 2006 budget), and the BiH House of

Representative's "no" vote on constitutional reform.

¶3. (U) In the lead-up to his speech, rumors abounded that Schwarz-Schilling would name the names of those who, in his mind, were obstructing key reforms. The closest he came to doing so, however, was when he criticized the parliament for not seizing on what he called "a window of history - an occasion to leap forward." Because of a small number of people who did not have the political courage to vote for the reforms, the rest of the country was left stranded, he noted.

Schwarz-Schilling also warned that rejecting broadcasting reform or police reform will slow progress toward Europe. Europe is watching, he cautioned, and the EU is in no mood to accept anything less than what it has clearly set out as key conditions.

¶4. (C) Exhorting the Bosnians to action, Schwarz-Schilling listed the reforms he would like to see Bosnia's parliament enact in the next 100 days: passing a higher education law that would harmonize standards and testing across the country; the Law on Obligations; the Salary Law; creating a Central Banking Supervision system; the Law on the National Fiscal Council; the Pharmaceuticals Law; changes to the criminal code to strengthen the judiciary; the Broadcasting Law; and police reform.

¶5. (C) COMMENT. While well intended, Schwarz-Schilling's words were not taken as the serious reform challenge that he had hoped for. With Schwarz-Schilling's own professed "hands off" theme taking center stage, his reform agenda is not seen as something he will aggressively push. Responding to references in the speech aimed at the Republika Srpska's blocking of police reform, RS Prime Minister Milorad Dodik commented that he does not believe he is responsible for

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halting police reform, nor does he expect sanctions from the High Representative as a result. Further, parliamentarians were visibly distracted during the High Rep's speech by the brewing showdown between parliamentarians and PM Terzic on a domestic issue: Terzic's refusal to establish a commission to investigate war crimes in Sarajevo (in defiance of a parliamentary decision). Immediately following the speech, the Bosnian Serb parties walked out of Parliament, effectively blocking any further business due to the lack of a sufficient quorum. The timing of this walk out could not have been worse for the High Representative's message -- the Parliament kicked off Schwarz-Schilling's 100 days of reforms with a boycott. (Note: The Council of Ministers met on May 25 and approved the commission, eliminating the crisis for the time being.) Regardless, the High Rep's message fell flat, and it is unclear whether OHR will invest the energy and follow-through needed to prompt further Bosnian reforms before October elections. END COMMENT.

MCELHANEY